

In the meantime, the condition of the millions of needy persons who depend upon these programs for their income and their health care continues to worsen. The National Urban League's state of black America 1980 reported that

(M)ost AFDC payments have been significantly eroded by inflation . . . (B)etween 1973 and 1979, the average state maximum for a family of four without other income (in constant 1979 dollars) dropped from \$424 to \$349 a month.

In New York, the basic cash allowance for a family of four was set at \$238 a month—exclusive of shelter—in 1974. It remains \$238 today. In that time, consumer prices have increased by 64 percent. Sensible of this erosion, the State senate, upon Gov. Hugh Carey's urging, approved a 15-percent increase in AFDC benefits. This hardly compensates for the large drop in the benefits' real value. But even this small rise will cost the State an additional \$120 million in 1982.

And that is merely the beginning. Only to illustrate this do I mention that data I have published in the spring 1981 issue of the *Journal of Socioeconomic Issues* show that dependency has increased astonishingly. Permit me to quote:

It appears that one-half of the children now being born are likely to live in female-headed households at some point prior to their 18th birthday. This includes 40 percent of majority children and 73 percent of minority children.

Two-thirds of female-headed households with children now receive AFDC payments.

Before their 18th birthday, one-third of all children now being born are likely to live in a female-headed household receiving AFDC payments.

One-third of all children. A third of our children dependent upon their State governments—which set benefit levels—for an even less adequate level of subsistence. Inadequate not because their governments are mean spirited, but because they cannot afford anything more.

The bill I introduce today would fundamentally change this. It would remove the burden of welfare and medicaid financing from local governments, and would substantially ease the burden on State governments. But this higher level of Federal reimbursement is available only to those States that provide AFDC and food stamp benefits in excess of three-quarters of the federal-determined poverty line.

The bill's hold harmless provision insures that State costs will not increase because of this minimum benefit level; if the cost of meeting the minimum benefit exceeds the higher reimbursement rate, the Federal Government is responsible for the difference. States will be able—will be encouraged—to provide a decent level of cash assistance and health care for their neediest residents.

This is an easily understood bill, similar to legislation I introduced in the 96th Congress. It simply changes the minimum Federal reimbursement level under the "Medicaid formula" (which governs both the medicaid and AFDC programs) from 50 percent to 75 percent in fiscal 1982, rising to 90 percent in fiscal 1983 and thereafter. The bill requires that the additional Federal fund-

ing be "passed through" to localities in those States that now require local cost-sharing in amounts sufficient to eliminate the local share. When fully implemented, the State (or State-local) share of expenditures for medicaid would be only 10 percent (down from the present average of 44 percent) and the State (or State-local) share of AFDC cash benefits would also be 10 percent (down from the present average of 48 percent).

The essential purpose of this bill: the welfare and medicaid fiscal assistance program, is to assign the primary responsibility to the Federal Government of paying for both welfare and medicaid. This is entirely consistent with the stated policy recommendations of the National Governors Association. It is not a complete transfer of fiscal responsibility, for so long as the States retain the task of administering these programs (and of setting cash assistance levels, above a federally-prescribed floor) they must retain a fiscal stake in them. The 10 percent share envisioned in this bill is quite sufficient for that purpose.

I would add, however, that I would welcome complete Federal assumption of the administrative and fiscal responsibility for both sets of activities. That is how social security, disability, SS and medicare work and is, I believe, the proper permanent locus for cash assistance to dependent children and for medical care for the needy as well. Short of that large structural change, a realignment of fiscal responsibility would constitute a major improvement.

I urge its favorable consideration and its enactment.

By Mr. PERCY:

S. 854. A bill to promote the orderly conduct of international relations by facilitating the operation of foreign missions in the United States, thereby promoting the secure and efficient operation of the U.S. missions abroad; to the Committee on Foreign Relations.

FOREIGN MISSIONS ACT OF 1982

MR. PERCY. Mr. President, today I am introducing a bill which I call the Foreign Missions Act of 1982. An identical bill is being introduced in the House of Representatives by Congressman DANTE FASCELL of Florida.

This legislation is designed to provide the means to remedy a serious and growing imbalance between the treatment accorded in many countries to official missions of the United States abroad, and that made available to foreign government missions in the United States. At present the Department of State lacks authority compared to that enjoyed by many other governments to enforce reciprocity in an appropriate manner.

In an increasing number of countries, for example, the United States is denied suitable locations for our missions or long-term rights to property or facilities, often resulting in diminished security, excessive or discriminatory costs, or inadequate facilities which significantly reduce the effectiveness of our missions. For example:

In the Soviet Union and East European countries, the United States is barred

from purchasing office and residential properties and is required to obtain all facilities through government controlled sources. In many cases these are either inadequate, excessively costly, or both, or denied arbitrarily. However, in the United States, these governments are allowed to purchase both types of property in Washington, D.C. All own either office or residential space.

Venezuela will not allow the Department to purchase staff housing units in the capital city, which imposes difficulties on the functioning of the mission, but the Venezuelans are purchasing housing in the greater Washington metropolitan area for official purposes.

Kuwait, Bahrain, and the United Arab Emirates will not allow the United States to purchase badly needed staff housing sites which would allow residential construction and elimination of exorbitant short-term lease charges. Yet these same governments own residential units in our capital area. For example, in Doha, Qatar, it costs the U.S. Government \$33,000 per year to lease living quarters for a single secretary.

In Indonesia, the government has determined that the U.S. Government may no longer own its more than 20 properties and is now in the process of converting these to long-term leaseholds. The new ground rents will be considerable. Indonesia is free to buy, lease, and sell in the United States.

In Algeria, a prior expropriation of U.S. property remains unresolved. Our present facilities are very inadequate and our efforts to secure long-term office and residential properties have met with negative results.

Our Embassies in the Soviet Union, East European, and other countries with state directed economies are required to deal through service organizations within the Ministries of Foreign Affairs for practically all administrative support and services, that is, housing, maintenance, utilities, employees, tickets for cultural and athletic performances, travel, et cetera. These organizations often impose a substantial surcharge for often unnecessary or unwanted "services." The total cost to the U.S. Government and its employees amounts to hundreds of thousands of dollars annually. For example, the Soviets charge diplomatic personnel but not tourists a "fee"—equal to one night's lodging—for holding a hotel reservation. Thus, a traveler is required to pay for one extra day of lodging regardless of the amount of time the room was occupied.

In many areas of the world, both the U.S. Government and its employees encounter serious inequities regarding the import or export of privately owned vehicles and other personal effects. Employees of these governments' foreign mission in the United States do not face these same restrictions; problems exist, for example, in Mexico, Venezuela, Singapore, Guatemala, and at many Embassies in the Near East.

At the same time, missions of those same countries are allowed in the United States to acquire property and goods freely or obtain benefits or public services, often without limitation. The U.S.

Government and its personnel are often confronted by serious inequities concerning the payment of taxes on goods and services obtained in the host country. For example, in Chile and Malta the Embassy is not exempt from the payment of a gasoline tax of 48 cents and 25 cents per gallon, respectively. In Yugoslavia the Embassy is required to pay a 27.5 percent tax on heating oil.

A number of countries also require a transaction tax on certain construction materials. An example is Portugal where the imposition of this tax may greatly increase the cost of the new embassy being constructed in Lisbon. In New Delhi, all Embassy administrative and support staff and specialized staff such as Library of Congress personnel do not receive duty-free import privileges and are not exempt from customs inspection and imposition of certain taxes, despite their performance of official functions for the United States.

In most cases, the Department lacks authority to impose similar restrictions or conditions on those or other countries in the United States. Instead it can only take far more extreme action such as barring the country concerned from using property it may acquire or declaring some persons persona non grata. These remedies are not suitable for such situations and are therefore rarely used.

The proposed Foreign Missions Act provides mechanisms whereby the operations of foreign missions in the United States and the benefits available to them from Federal, State, and local authorities, public utilities and private persons may be cleared through the Federal Government and adjusted according to U.S. needs abroad as well as national security interests at home.

In this way, the conditions under which foreign missions operate in the United States can be made to reflect the conditions under which missions of the United States are required to operate in the countries represented by such foreign missions. As a result, the foreign governments represented by mission in the United States will have an incentive to provide fair, equitable and nondiscriminatory treatment to U.S. missions and personnel in their territory, thus contributing to significant savings in the costs of operating U.S. missions, improved working conditions for U.S. personnel, and mutual respect in our foreign relations. The bill's authorities may also be applied to international organizations to a limited extent where necessary to give effect to the policy of the bill.

Specifically, the bill sets up an independent Office of Foreign Missions within the Department of State. The Office is to be headed by a Director appointed by the Secretary of State. The Director will carry out his or her responsibilities under the general supervision and direction of the Secretary. The Secretary is prohibited from delegating supervisory authority over the Director to any official below the rank of Under Secretary.

This organizational structure seeks to reconcile two competing policy interests. On the one hand, the operation of for-

ign missions in the United States is an important aspect of the conduct of foreign affairs and should be directly under the supervision of the Secretary of State. On the other hand, responsibility for the hard decisions to deny or impose conditions on benefits desired by foreign missions should be somewhat insulated from the operating bureaus in the State Department which deal with foreign missions on substantive issues on a daily basis. These concerns will be met effectively by placing the responsibility in the State Department and by precluding supervision of its exercise by any of the operating bureaus. The Office will be staffed by Foreign Service members, other Government employees, experts and consultants as necessary.

The Secretary of State will set the terms and conditions under which benefits may be granted or denied a foreign mission. Such actions will be governed by the need for reciprocity or other factors in our relations with other nations. The purposes served include the following:

Facilitating relations between the United States and a sending State.

Protecting U.S. interests.

Adjusting for costs and procedures of obtaining benefits for missions of the United States abroad.

Assisting in resolving disputes involving a foreign mission or sending State.

In carrying out the provisions of the bill, the Director is authorized to assist Federal, State, and municipal governments with regard to ascertaining and acceding benefits, privileges and immunities to foreign missions. The activities covered include the execution or performance of any contract or agreement, the acquisition or retention of any real property, or the application for or acceptance of any benefit, including benefits from any Federal, State, or municipal authority, or any entity providing public services; for example, utility and telephone company.

The bill specifically provides that the terms and conditions set by the Secretary may include a requirement to pay the Director a surcharge or fee, which would be deposited in the working capital fund of the Department of State to be used in carrying out the provisions of the bill. In addition, the Secretary may require a waiver by any foreign mission of any recourse against any governmental authority, public service entity, agent or employee thereof, in connection with actions taken under the provisions of the bill. This will protect companies from lawsuits and will thus enable the Director to carry out the provisions of the bill more effectively.

The bill also provides that issues concerning the location of foreign missions in the District of Columbia be settled by the National Capital Planning Commission, on which Federal, city, and citizen interests are represented. In order to insure full discussion, public hearings are required.

Mr. President, I urge my colleagues to support this bill, which is designed to achieve more balance between the treat-

ment accorded U.S. missions overseas and that given foreign missions in the United States. I ask unanimous consent that this bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 354

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the State Department Basic Authorities Act of 1956 is amended by striking out "That the Secretary" in the first section and inserting in lieu thereof the following:

**TITLE I—BASIC AUTHORITIES
GENERALLY**

"SECTION 1. The Secretary".

(b) That Act is further amended by adding at the end thereof the following:

TITLE II—AUTHORITIES RELATING TO THE REGULATION OF FOREIGN MISSIONS

"DECLARATION OF FINDINGS AND POLICY".

"Sec. 201. (a) The Congress finds that the operation in the United States of foreign missions and public international organizations and the official missions to such organizations, including the permissible scope of their activities and the location and size of their facilities, is a proper subject for the exercise of Federal jurisdiction.

"(b) The Congress declares that it is the policy of the United States to support the secure and efficient operation of United States missions abroad, to facilitate the secure and efficient operation in the United States of foreign missions and public international organizations and the official missions to such organizations, and to assist in obtaining appropriate benefits, privileges, and immunities for those missions and organizations and to require their observance of corresponding obligations in accordance with international law.

"(c) The assistance to be provided to a foreign mission in the United States shall be determined after due consideration of the benefits, privileges, and immunities provided to missions of the United States in the country or territory represented by that foreign mission.

"DEFINITIONS".

"Sec. 202. (a) For purposes of this title—

"(1) 'benefit' (with respect to a foreign mission) means any acquisition, or authorization for an acquisition, in the United States by or for a foreign mission, including the acquisition of—

"(A) real property by purchase, lease, exchange, construction, or otherwise;

"(B) public services, including services relating to customs, importation, and utilities, and the processing of applications or requests relating to public services;

"(C) supplies, maintenance, and transportation;

"(D) locally engaged staff on a temporary or regular basis;

"(E) travel and related services, and

"(F) protective services,

and includes such other benefits as the Secretary may designate;

"(2) 'chancery' means the principal offices of a foreign mission used for diplomatic or related purposes, and annexes to such offices (including ancillary offices and support facilities), and includes the site and any building on such site which is used for such purposes;

"(3) 'Director' means the Director of the Office of Foreign Missions established pursuant to section 203(a);

"(4) 'foreign mission' means any official